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July 14, 2021

Town of Los Gatos
Community Development Department
110 E. Main St.
Los Gatos, CA 95030

Submitted Via Online System

**RE: Beverages & More, Inc. 636 Blossom Hill Road, Los Gatos CA 95032
Application for Conditional Use Permit
Pre-Application Submittal-Revised**

To Whom it May Concern:

BevMo! proposes a new retail location at the address noted above. BevMo!'s proposed use at this location does require a Conditional Use Permit. Below please find a brief description of our business and how we intend to operate and serve the surrounding community. Based upon the staff comments, I have updated this letter with additional information. This letter supersedes the previous March 29, 2021 letter.

About BevMo!

BevMo! is the largest specialty retailer of wine in California and was awarded Retailer of the Year in 2006 by Wine Enthusiast, and in 2009 was awarded the Market Watch Leader Award for management. BevMo! offers a convenient and unique store for local residents to browse an extensive inventory of wine, spirits, beer, gourmet food, everyday convenience items and related items such as glassware and other wine accessories, not easily found elsewhere. In fact, with the recent addition of an enhanced delivery systems that will deliver a customers' online order within 30 minutes of it being placed, BevMo has expanded its &more department to include a wide assortment of food items, non-alcoholic drinks, dairy items, snacks, everyday food staples, non-prescription medicines and other everyday household essentials. In addition, BevMo! offers over 3,000 wines (1,000 from California), 1,200 specialty spirits, 600 beers including many "craft" and imported beers.

About the Project

BevMo! proposes this new location in a portion of Blossom Hill Pavilion Shopping Center, located at the intersection of Los Gatos Blvd. and Blossom Hill Road. BevMo plans to lease approximately 11,212 square feet (the vacant space that was formerly occupied by Pier 1). There are no changes planned for the exterior of the building. The BevMo business operation will be contained entirely within the existing building footprint. No changes are planned for the parking layout or trash area.

Responsible Contributing Member of the Community

The store will have a positive influence on the local economy by providing jobs and retail tax revenue to the Town of Los Gatos, as well as competitive pricing to the consumer.

BevMo! will employ approximately 15-20 local residents, with the possibility of additional help hired during the holidays.

BevMo! is committed to the responsible marketing of alcoholic beverage products, which is demonstrated by:

- 1) BevMo's hours of store operation, open to the public typically do not exceed 7:00 AM – 11:00 PM Sunday through Saturday. During much of the year, the store opens at 8:00 AM to 9:00 AM and closes between 9:00 PM and 10:00 PM. During the holiday season and special occasions, we may extend that by one hour in either direction as customers' needs vary. We will offer our delivery program for online orders of non-alcoholic products 24 hours per day, served by our contract drivers using regular autos (no trucks needed for customer delivery). **Sale of alcoholic products via app/online platform for delivery only shall be 6:00 AM to 2:00 AM Monday through Sunday.** See below for more information on Delivery.
- 2) Our company policy prohibiting the sale of cigarettes and products of abuse (such as 40 oz. of malt liquor, low-priced, and screw-top fortified wines.
- 3) Our company policy prohibits the use of video or pinball games, sales of pornographic literature, pay telephones, lottery tickets, newspaper stands and other items that would encourage loitering or minors patronizing the store.
- 4) Our company posts and maintains a professional quality sign stating, "No Loitering", "No public drinking of alcoholic beverages", and "Stop you must be 21 to enter unless accompanied by an adult".
- 5) It is store policy to card anyone who appears to be under the age of 50.
- 6) We operate our own decoy sale-to-minor program and implement extensive ID check training of our employees.

Our policies have led to an excellent track record with the California Department of Alcoholic Beverage Control.

Operational Matters

Refuse pickup is handled by the shopping center. An existing compactor and recycle container is onsite and will be utilized by the store. Current pickups occur 3-4 times per month for the compactor as needed and Recycle is picked up daily if needed. Garbage is placed in the respective containers during the stores operations hours as needed.

The Shopping Center offers sufficient parking onsite with a total of 109 spaces provided, exceeding the requirement of 107 spaces. A detail of the parking is provided on the submitted site plans. Deliveries will occur in the early morning prior to busy times in the lot. Delivery vehicles will pull onsite and bring goods into the store through the existing double main doors located on the left side of the premises.

Delivery Hours. BevMo! currently operates as a high-end retailer for in-store purchases of beer, wine, and related goods. Sales of alcohol are authorized by liquor licenses issued by the California Alcohol Control Board (ABC) – Type 21 (Off-Sale General) and Type 42 (On-Sale Beers and Wine Public Premises). To enhance the customer experience, BevMo! seeks to allow customers to purchase alcohol and non-alcoholic consumer goods (described below) via its online and mobile platforms for delivery. In-store sales would remain as stated above, but deliveries of non-alcoholic goods would occur 24 hours/day and deliveries of alcohol would stop at 2:00 a.m.

Online Delivery Customers would select items available from the store via an app or online interface. BevMo! employees would bag the items and put them in bins containing orders from one to four customers. Drivers, who are independent contractors, would pick up the bins for delivery to customers, with a goal of delivering items within 30 minutes of purchase to customers located within a fixed delivery radius, usually 2- 5 miles from the store. The types of goods anticipated to be available for delivery include beer, wine, ice cream, snacks, hand sanitizer, pet food, toilet paper, and diapers and, as at other national locations, Covid-19 rapid tests through BevMo!'s partnership with Purlab. Most of these items would also be displayed on shelves in the store and would be available for purchase for walk-in customers, but a few items, such as dog food, would be available only for delivery. Driver-partners would enter and exit the store via the existing receiving door on the left side of the facility, even when the storefront is open. Driver-partners would be able to use any parking spaces in the shopping area.

Proper lighting exist on site which will ensure employee and driver-partner safety at all times. The rear entrance door will remain locked with an electric strike lock for controlling access to the building. Driver-partners will be identified by employees inside the building via camera before being granted access inside the store for deliveries.

Additional security measures include security camera systems with footage that can be accessed by the General Manager and any Shift Lead in the store. This footage is typically stored for 30 days or longer, depending on how much activity is on a specific camera. The store also includes a telephone for calling 911 and a monitored alarm system with a hold-up panic button for employees in the case of an emergency.

BevMo! anticipates that approximately 30 to 35 percent of the retail floorspace will be dedicated to non-alcohol items. The only exterior changes BevMo! plans to make are to install security cameras; additional exterior lighting will be installed as needed, but no additional lighting is proposed at this time.

Currently four other businesses in the Town of Los Gatos offer a 24-hour retail operation as well as delivery. The proposal by BevMo! is only to offer 24-hour delivery (of non-alcohol related items) which is consistent with the existing marketplace and given the design of the shopping center, will not introduce any additional negative impacts into the community. The shopping center building's design acts as a screen and buffer to the residential units located across Blossom Hill Road, with commercial uses (car dealerships) abutting the property on two sides and commercial retail centers located on the three remaining corners of the intersection.

California Alcoholic Beverage Control Licenses Required

In addition to a license type 21 for the off-premises sale of alcoholic beverages, BevMo! requires a license Type 42 (On-Sale Beer and Wine, Public Premises) for educational beer and wine tastings and a Type 86 (Educational Tasting License) for spirits tastings. BevMo! operates the tasting program in a manner consistent with educating the customer—it is not intended to be a bar or lounge atmosphere. This program has been suspended during COVID and is expected to restart at the beginning of 2022. It typically occurs once to twice per week for less than one hour per event. It is used to introduce new products and not intended for extended times or consumption. No seating in the tasting areas will be provided. Sample sizes (1oz samples of beer and wine, and a maximum of three ¼ oz samples of spirits samples per customer) and hours for tastings are limited (typically tastings are conducted on Friday evening and Saturday afternoon, with occasional tastings during the week). Private tastings can be scheduled for wedding/corporate function planning, the frequency which varies by season.

Finally, permitting the sale of alcoholic beverages and offering tastings at this location will allow BevMo! to continue to provide residents in this area with a convenient, well-maintained facility with reasonable prices that will have a positive impact on the local economy and community.

The closest store to this location is currently at 14800 Camden Avenue in San Jose, some 3+ miles away. We are excited about the prospect of opening a new store in Los Gatos and look forward to working with the town in accomplishing this goal.

Sincerely,
Beverages & More, Inc.

Greg Endom